

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
GLOBAL PLUS 1D (CP2016-193)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2017-234

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
CHAIRMAN'S INFORMATION REQUEST NO. 1,  
WITH PORTIONS FILED UNDER SEAL  
(August 11, 2017)**

The United States Postal Service (Postal Service) hereby provides its response to Chairman's Information Request No. 1, which the Postal Regulatory Commission (Commission) filed in this docket under seal on August 4, 2017. A response was due no later than August 11, 2017. The Postal Service hereby provides a redacted version of the response. In addition, the Postal Service is filing today an unredacted version of the response under seal and relies upon the Application for Non-Public Treatment that the Postal Service filed in this docket on August 1, 2017.<sup>1</sup>

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<sup>1</sup> See Notice of the United States Postal Service of Filing a Functionally Equivalent Global Plus 1D Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, Docket No. CP2017-234, August 1, 2017, at Attachment 4.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

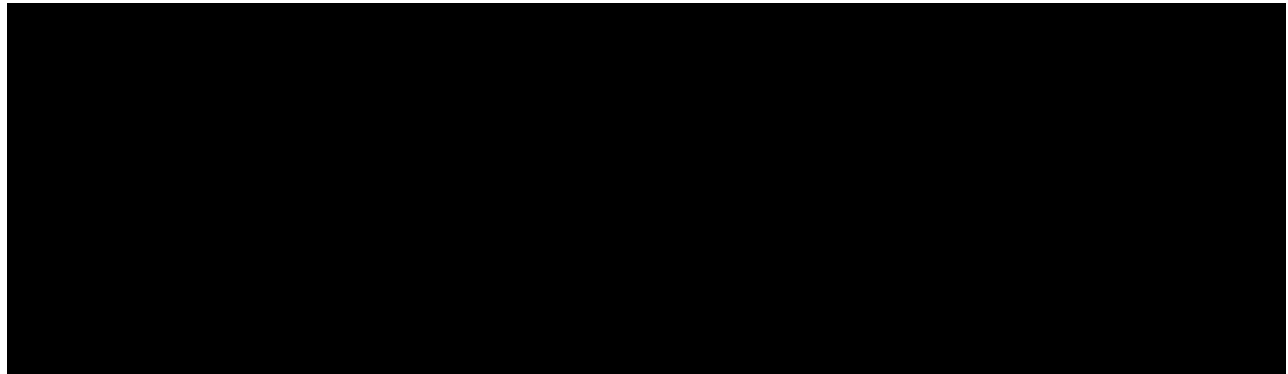
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August 11, 2017

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S  
INFORMATION REQUEST NO. 1**



**RESPONSE:**

In response to Chairman's Information Request No. 1, the Postal Service is filing corrected workpapers, as well as a certified statement required by 39 C.F.R. § 3015.5(c)(2) under seal.

In addition, the Postal Service is filing with this response a redacted version of the corrected workpapers as separate Excel files, and a redacted version of the certified statement as Attachment 1 to this response. The Postal Service incorporates by reference the application for non-public treatment that was filed in conjunction with the Postal Service's August 1, 2017, notice in this docket.<sup>2</sup> The application protects from disclosure the information that has been redacted from the redacted financial workpapers and redacted certified statement that the Postal Service is filing today with this response.

<sup>2</sup> See Notice of the United States Postal Service of Filing a Functionally Equivalent Global Plus 1D Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, Docket No. CP2017-234, August 1, 2017, at Attachment 4.

**Certification of Prices for the Global Plus Contract with**  
[REDACTED]

I, John P. Kelley, Acting Manager of Cost Attribution, Finance Department, United States Postal Service, am familiar with the prices for the Global Plus Contract with [REDACTED]. The prices contained in this contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates, issued on March 22, 2011 (Governors' Decision No. 11-6), which established prices by means of price floor formulas.

I hereby certify that the numerical cost values underlying the prices in the [REDACTED] Contract are the appropriate costs to use in the formulas and represent the best available information. The prices, resulting in a cost coverage in excess of the minimum required by the Governors' Decision, are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). The prices demonstrate that the Contract should cover its attributable costs and preclude the subsidization of competitive products by market dominant products. International competitive mail accounts for a relatively small percentage of the total contribution by all competitive products. Contribution from Global Plus Contracts should be even smaller. The Agreement with [REDACTED] should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

John P  
Kelley

John P. Kelley

Digitally signed by John P Kelley  
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